

*Economic Conditions*

people. They were the tool and dye makers, the electricians and welders, and they would come to me as a lawyer, not to buy 1,500 square foot or 2,000 square foot homes but to buy 900 square foot to 1,100 square foot homes. They put their roots down in that society and they were not tempted to move for 50 cents an hour to places like Kitchener or Toronto. They stayed in Stratford and joined service clubs and coached hockey teams. That was the real heart of the city I represent.

I doubt that one skilled labourer in Stratford was able to buy a home last year. That was the vibrance and vitality of the community. I would like to develop any of these topics, but I shall forgo that temptation because I want to talk about a minority. It is bad enough being a minority, whether it be in terms of geography, heritage or whatever, but to be a minority without a spokesman is a hopeless situation.

I want to talk about the minority, which is my farm producers. I know that in an electoral sense, the farm vote, with every redistribution, becomes less and less significant. I begrudgingly accept that. In my own riding, the farm population used to be roughly 70 per cent of the electorate. Now it is officially around 60 per cent. But if one looks at the towns which are classified as rural and removes them from the electorate, in my riding the farm producers are in the minority.

What is their nature? They are not a big corporate farm producer. They are family farmers. They are sound financially and they are both progressive and aggressive. Because they are family farmers, they are able to produce more efficiently than any corporate conglomerate that I have ever seen. They not only want to produce and have the ability to produce; they want, in spite of many obstacles, to stay in that business.

I could point to many farmers who over the past ten years would have been better off financially if they liquidated and invested in Canada bonds or guaranteed investment certificates. They could collect the interest and be far ahead. I think I see agreement from the hon. member for London-Middlesex (Mr. Bloomfield), because his farmers are very much akin to my own farmers. I think mine are a little better, but he might not agree.

The hon. member will know that the average farmer in his riding is the same as mine, and if they were to liquidate and invest their money they would make a greater income than from producing food. But to their everlasting credit, they resist.

**Mr. Bloomfield:** We agree on that point.

**Mr. Jarvis:** My hon. friend says that we agree on that point. I want to speak for these farmers now because what has happened has evolved rather slowly. I attended the wardens' banquet in the county some two or three weeks ago. I was disquieted to hear among the several hundred farmers there several discussions about whether to sell their feed grain or hold it and feed it to their cattle or hogs. That discussion permeated that particular evening. I was very concerned about the subject, so I began to investigate. I found more farmers in my riding—and I am sure it is typical of ridings right across Canada, and we have no monopoly on this in southern

Ontario—asking: Shall we sell the grain that we would normally feed the animals to fatten and finish them for the Canadian market and forget about getting into the cattle or hog business this year? More and more farmers are doing just that.

That is why less than 48 hours ago in the question period I put to the Minister of Agriculture (Mr. Whelan)—and I am sorry that he is not here—the question that while we talk in terms of the 17 per cent prime rate, the farmers in my riding and in London-Middlesex riding were paying a minimum of 20 per cent. They do not get bank loans at the prime rate. That is why less than 48 hours ago—and I am outdated because the rate has hit almost 18.5 per cent in less than 48 hours—the farmers of Perth county, if they wanted to borrow working capital to finance the purchase of livestock, will have to pay 21 per cent, 21.5 per cent and 22 per cent.

That rate is virtually impossible for many of the farmers, no matter how well settled or affluent they may be. That is a very difficult value judgment to make, to pay that kind of rate. Therefore, the temptation is to sell off the grain that they would normally feed to livestock is much greater because they can take the proceeds from that sale and invest it at 13.5 per cent in guaranteed investment certificates. It may be 14 per cent by tomorrow morning, but I think that is the rate.

So we have, on the one hand, high feed grain prices with the temptation to sell and, on the other side of this impossible situation, enormous interest rates. A farmer must place himself and his family in a very vulnerable position when he goes into the bank and signs that demand note. That is what I put to the Minister of Agriculture. The issue was Canadian farmers being deterred from producing reasonable quantities of food at reasonable prices. Therefore I thought I asked the minister in a reasonable way what he was going to do about it.

• (1140)

**An hon. Member:** Where is he when we need him?

**Mr. Paproski:** He doesn't care.

**Mr. Jarvis:** I admit that I got very angry in question period that day. I do not usually lose my temper but what bothered me is that the minister does not even know there is a problem. This minister has been very weak in terms of farm financing. Over eight years I have found that year after year. We had the capital gains tax debate, the transfer from father to son debate. The minister was really out of his depth on those. But surely even he understands an interest rate of 21 per cent or 22 per cent. He told me the Farm Credit Corporation loans money at 12.75 per cent. He went on to say that the Farm Credit Corporation may run out of money. In some parts of the country they were running out of Farm Credit Corporation funds.

Let us look at the answer. Here is the answer to the Farm Credit Corporation: The well is dry. There is no money in the Farm Credit Corporation. Any farmer in any part of this country can phone his local FCC office right now and find that